

AMENDMENT 3 TO THE CLARK COUNTY NSP SUBSTANTIAL AMENDMENT

Clark County, as the lead agency for the Urban County CDBG Consortium, on behalf of the City of North Las Vegas, is proposing to amend its Neighborhood Stabilization Program (NSP) Second Amendment to the Substantial Amendment to the FY 2008 Action Plan and Consolidated Plan, which was approved by HUD in March 2009. The City of North Las Vegas proposes to amend its approved budget of \$6,837,736 federal allocation to incorporate the following change:

- \$1,300,000 in federal NSP dollars will be moved from Activity 4, Desert Mesa Redevelopment, to Activity 2, NSP Purchase and Rehabilitation of Single-Family Housing. The acquisition of Desert Mesa is no longer a feasible project; therefore the City of North Las Vegas has determined that it is in the best interests of the community to reallocate a total of \$1,300,000 to the Acquisition, Rehabilitation and Resale Program

Minor additions or corrections have been made to the Activity 2 narrative and are highlighted in yellow. The following pages include amended Activity 2 and the amended budget.

ACTIVITY 2 (AMENDED)

(1) Activity Name: **NSP Purchase and Rehabilitation of Single-Family Housing**

(2) Activity Type:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned/vacant or foreclosed upon, in order to sell, rent or redevelop such homes and properties. (HERA 2301C(3)(b))

Eligible Activity: Acquisition, disposition, possible relocation, direct homeownership assistance, eligible rehabilitation and preservation activities for homes and other residential properties and housing counseling for those seeking to take part in the activity. (24 CFR 570.201(a) and 570.202)

(3) National Objective:

24 CFR 570.208(c) Housing assisted with NSP funds will provide permanent housing to low-, moderate- and middle-income persons

(4) Projected Start Date: **March 2009**

(5) Projected End Date: **September 2010 – activity will continue with any program income.**

(6) Responsible Organization:

**City of North Las Vegas
Office of Housing and Neighborhood Services
2225 Civic Center Dr. Suite 220
North Las Vegas, NV 89030
702-633-1524
Kenneth Young, Senior Assistant to the City Manager**

The City of North Las Vegas will administer the revolving loan fund and will select development partners through a competitive request for proposals process.

(7) Location Description: **Eligible Census Tracts 89031, 89032, and 89081, Census Tract 3602 Block Group 2 and Census Tract 3700**

(8) Activity Description:

The purpose of the program is to acquire and rehabilitate foreclosed and abandoned homes in heavily impacted neighborhoods and resell them to program-eligible owner-occupants. Using NSP funds (and other lines of credit as available) the City will purchase the abandoned and/or foreclosed homes and then convey these properties to non-profit organizations selected by the City through a competitive RFP/RFQ process to rehabilitate them to City housing standards. Homes may be purchased individually or through a bulk sale. Upon completion of rehabilitation, homes would be marketed to

eligible buyers. This activity will provide affordable homeownership opportunities for households earning less than 120% AMI.

All properties acquired under this activity must meet the required purchase discount of 1%. The discounted price shall be supported by an appraisal meeting the requirements of the Notice.

The City will provide funds for the acquisition, rehabilitation and redevelopment of the homes to include related eligible development and activity delivery costs, sales and closing costs, and reasonable developer's fees. The /non-profit/developer will then sell each home to an eligible buyer. It is anticipated that the new purchasers will be provided with homebuyer assistance in the form of down payment assistance, closing costs, interest rate buy down, principal reduction or other financing mechanisms as described in Activity 3.

As an alternative to sale, the City may authorize the home to be transferred to the rental program described in Activity 1.

Funds repaid by the non-profit/developer from sale proceeds will be treated as program income according to the terms of the Notice and used to fund additional NSP activities.

(9) Total Budget:

\$4,444,528 in Federal NSP funds and \$1,030,238 in State NSP funds will be used to purchase abandoned/vacant or foreclosed properties and provide rehabilitation. It is estimated that the average discounted cost for these properties will be \$185,000. This budget includes purchase of home, closing costs, rehab costs, carrying costs and project delivery costs directly attributable to a specific address.

(10) Performance Measures

Twenty-nine (29) households with income at 120% AMI or lower will be assisted to purchase rehabilitated abandoned/vacant or foreclosed homes. **Some of the program income from this activity (an estimated \$1,500,000 in program income) will be used for Activity 3, the Homebuyer's Assistance Program.**

Acquisition and rehabilitation for resale will help to stabilize property conditions and values in our target neighborhoods by rehabilitating and modernizing housing stock and then assisting families to purchase and occupy vacant properties. Rehabilitation will incorporate energy efficiency and conservation measures that will reduce household utility costs thereby providing more disposable income to the new owners. This new investment into the target areas should encourage other families to purchase and/or rehabilitate homes in the area. These resale purchases will be undertaken using traditional 30-year, fixed rate loan products, thereby stopping the cycle of foreclosures that have resulted from exotic loan products and unemployment. The influx of new families into the target areas will help to maintain local retail services that are struggling in the current economy and to help stabilize school enrollment

North Las Vegas Amended NSP Budget - 3

	NLV Direct Allocation	State of NV Allocation	TOTAL Allocation
Total NSP Allocation	\$6,837,736	\$1,814,256	\$8,651,992
NSP 50% AMI (25% Set-Aside)			
Acquisition and Rehabilitation for Rental Housing	\$1,709,434	\$690,273	\$2,399,707
NSP 50% AMI Subtotal	\$1,709,434	\$690,273	\$2,399,707
NSP ADMINISTRATION 10% CAP			
General management, Oversight, and coordination	\$583,774	\$93,745	\$677,519
Professional services	\$100,000	\$0	\$100,000
NSP ADMIN Subtotal	\$683,774	\$93,745	\$777,519
NSP 120% AMI ACTIVITIES			
Acquisition, Rehabilitation and Resale of Single Family Housing	\$4,444,528	\$1,030,238	\$5,474,766
NSP Activities Subtotal	\$4,444,528	\$1,030,238	\$5,474,766
TOTAL	\$6,837,736	\$1,814,256	\$8,651,992

NOTE: Homebuyer Assistance Program (estimated program income) \$1,500,000